

107TH CONGRESS
2D SESSION

H. R. 706

IN THE SENATE OF THE UNITED STATES

MARCH 20, 2002

Received; read twice and referred to the Committee on Energy and Natural
Resources

AN ACT

To direct the Secretary of the Interior to convey certain
properties in the vicinity of the Elephant Butte Reservoir
and the Caballo Reservoir, New Mexico.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Lease Lot Conveyance
3 Act of 2002”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds that the conveyance of the Prop-
6 erties to the Lessees for fair market value would have the
7 beneficial results of—

8 (1) eliminating Federal payments in lieu of
9 taxes and associated management expenditures in
10 connection with the Government’s ownership of the
11 Properties, while increasing local tax revenues from
12 the new owners;

13 (2) sustaining existing economic conditions in
14 the vicinity of the Properties, while providing the
15 new owners of the Properties the security to invest
16 in permanent structures and improvements; and

17 (3) adding needed jobs to the county in which
18 the Properties are located and increasing revenue to
19 the county and surrounding communities through
20 property and gross receipt taxes, thereby increasing
21 economic stability and a sustainable economy in one
22 of the poorest counties in New Mexico.

23 **SEC. 3. DEFINITIONS.**

24 In this Act:

1 (1) FAIR MARKET VALUE.—The term “fair
2 market value” means, with respect to a parcel of
3 property, the value of the property determined—

4 (A) without regard to improvements con-
5 structed by the Lessee of the property;

6 (B) by an appraisal in accordance with the
7 Uniform Standards for Federal Land Acquisi-
8 tions; and

9 (C) by an appraiser approved by the Sec-
10 retary and the purchaser.

11 (2) IRRIGATION DISTRICTS.—The term “Irriga-
12 tion Districts” means the Elephant Butte Irrigation
13 District and the El Paso County Water Improve-
14 ment District No. 1.

15 (3) LESSEE.—The term “Lessee” means the
16 leaseholder of a Property on the date of enactment
17 of this Act, and any heir, executor, or assign of the
18 leaseholder with respect to that leasehold interest.

19 (4) PROPERTY.—The term “Property” means
20 any of the cabin sites comprising the Properties.

21 (5) PROPERTIES.—The term “Properties”
22 means all the real property comprising 403 cabin
23 sites under the administrative jurisdiction of the Bu-
24 reau of Reclamation that are located along the west-
25 ern portion of the reservoirs in Elephant Butte State

1 Park and Caballo State Park, New Mexico, including
2 easements, roads, and other appurtenances. The
3 exact acreage and legal description of such real
4 property shall be determined by the Secretary after
5 consulting with the Purchaser.

6 (6) PURCHASER.—The term “Purchaser”
7 means the Elephant Butte/Caballo Leaseholders As-
8 sociation, Inc., a nonprofit corporation established
9 under the laws of New Mexico.

10 (7) RESERVOIRS.—The term “reservoirs”
11 means the Elephant Butte Reservoir and the Caballo
12 Reservoir in the State of New Mexico.

13 (8) SECRETARY.—The term “Secretary” means
14 the Secretary of the Interior.

15 **SEC. 4. CONVEYANCE OF PROPERTIES.**

16 (a) IN GENERAL.—The Secretary shall convey to the
17 Purchaser in accordance with this Act, subject to valid ex-
18 isting rights, all right, title, and interest of the United
19 States in and to the Properties and all appurtenances
20 thereto, including specifically easements for—

21 (1) vehicular access to each Property;

22 (2) drainage; and

23 (3) access to and the use of all ramps, retaining
24 walls, and other improvements for which access is

1 provided under the leases that apply to the Prop-
2 erties as of the date of the enactment of this Act.

3 (b) CONSIDERATION.—As consideration for any con-
4 veyance under this section, the Secretary shall require the
5 Purchaser to pay to the United States fair market value
6 of the Properties.

7 **SEC. 5. TERMS OF CONVEYANCE.**

8 (a) SPECIFIC CONDITIONS.—As conditions of any
9 conveyance to the Purchaser under this Act, the Secretary
10 shall require the following:

11 (1) LEASEHOLDERS' OPTION.—The Purchaser
12 shall grant to each Lessee of a Property an option—

13 (A) to purchase the Property at fair mar-
14 ket value; or

15 (B) to continue leasing the Property on
16 terms to be negotiated with the Purchaser.

17 (2) ADMINISTRATIVE COSTS.—Any reasonable
18 administrative cost incurred by the Secretary inci-
19 dent to the conveyance under section 6 shall be re-
20 imbursed by the Purchaser.

21 (b) RESTRICTIVE USE COVENANT.—

22 (1) IN GENERAL.—To maintain the unique
23 character of the area in the vicinity of the Res-
24 ervoirs, the Secretary shall establish, by the terms of

1 conveyance, use restrictions to carry out paragraph
2 (2) that—

3 (A) are appurtenant to, and run with, each
4 Property; and

5 (B) are binding upon each subsequent
6 owner of each Property.

7 (2) ACCESS TO RESERVOIRS.—The use restric-
8 tions required by paragraph (1) shall ensure that—

9 (A) public access to and along the shore-
10 line of the Reservoirs in existence on the date
11 of enactment of this Act is not obstructed;

12 (B) adequate public access to and along
13 the shoreline of the Reservoirs is maintained;
14 and

15 (C) the operation of the Reservoirs by the
16 Secretary or the Irrigation Districts shall not
17 result in liability of the United States or the Ir-
18 rigation Districts for damages incurred, as a di-
19 rect or indirect result of such operation, by the
20 owner of any Property conveyed under this Act,
21 including—

22 (i) damages for any loss of use or en-
23 joyment of a Property; and

1 (ii) damages resulting from any modi-
2 fications or construction of any reservoir
3 dam.

4 (c) TIMING.—

5 (1) IN GENERAL.—The Secretary shall convey
6 the Properties under this Act as soon as practicable
7 after the date of enactment of this Act and in ac-
8 cordance with all applicable law.

9 (2) REPORT.—If the Secretary has not com-
10 pleted conveyance of the Properties to the Purchaser
11 by the end of the 1-year period beginning on the
12 date of the enactment of this Act, the Secretary
13 shall, before the end of that period, submit a report
14 to the Congress explaining the reasons that convey-
15 ance has not been completed and stating the date by
16 which the conveyance will be completed.

17 (d) REIMBURSEMENT OF PURCHASER'S COSTS.—The
18 terms of conveyance shall authorize the Purchaser to re-
19 quire each Lessee to reimburse the Purchaser for a pro-
20 portionate share of the costs incurred by the Purchaser
21 in completing the transactions pursuant to this Act, in-
22 cluding any interest charges.

23 **SEC. 6. RESOLUTION OF CLAIMS AND DISPUTES.**

24 After conveyance of the Properties to the Purchaser,
25 if any Lessee has a dispute with or claim against the Pur-

1 chaser or any of its officers, directors, or members arising
2 from the Properties, the Lessee shall promptly give writ-
3 ten notice of the dispute or claim to the Purchaser. If such
4 notice is not provided to the Purchaser within 20 days
5 after the date the Lessee knew or should have known of
6 such dispute or claim, then any right of the Lessee for
7 relief based on such dispute or claim shall be waived. If
8 the Lessee and the Purchaser are unable to resolve the
9 dispute or claim by mediation, the dispute or claim shall
10 be resolved by binding arbitration.

11 **SEC. 7. FEDERAL RECLAMATION LAW.**

12 No conveyance under this Act shall restrict or limit
13 the authority or ability of the Secretary to fulfill the duties
14 of the Secretary under the Act of June 17, 1902 (32 Stat.
15 388, chapter 1093), and Acts supplemental to and amend-
16 atory of that Act (43 U.S.C. 371 et seq.).

Passed the House of Representatives March 19,
2002.

Attest:

JEFF TRANDAHL,
Clerk.